townhall.virginia.gov

Proposed Regulation
Agency Background Document

Agency name	Virginia Board of Accountancy
Virginia Administrative Code (VAC) Chapter citation(s)	18VAC5-22
VAC Chapter title(s)	Board of Accountancy Regulations
Action title	Fee changes
Date this document prepared	November 10, 2026

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Order 17 (2026) (EO 17), any instructions or procedures issued by the Department of Planning and Budget (DPB) pursuant to EO 17, the *Regulations for Filing and Publishing Agency Regulations* (1 VAC 7-10), and the *Form, Style, and Procedure Manual for Publication of Virginia Regulations.*

Brief Summary

Provide a brief summary (preferably no more than 2 or 3 paragraphs) of this regulatory change (i.e., new regulation, amendments to an existing regulation, or repeal of an existing regulation). Alert the reader to all substantive matters. If applicable, generally describe the existing regulation.

The Virginia Board of Accountancy (VBOA) intends to amend regulation 18VAC5-22-20 to adjust fees related to license renewals, lifting suspensions, licensee requests, and non-communication with the Board. The increase in renewal fees will be used to support long-term sustainability of VBOA operations.

Acronyms and Definitions

Define all acronyms and technical terms used in this form that are not defined in the "Definitions" section of the regulation.

Virginia Board of Accountancy: "VBOA" or "Board"
Certified Public Accountant: "CPA"

Mandate and Impetus

Identify the mandate for this regulatory change and any other impetus that specifically prompted its initiation (e.g., new or modified mandate, petition for rulemaking, periodic review, or board decision). For purposes of executive branch review, "mandate" has the same meaning as defined in EO 17, "a directive from the General Assembly, the federal government, or a court that requires that a regulation be promulgated, amended, or repealed in whole or part." For changes in response to federal mandates, indicate the extent of discretion related to the proposed regulatory changes, the rationale for the changes, and briefly indicate how the federal mandate aligns with the best interest of public welfare.

The regulatory change was prompted by Board decision to amend the fee schedule based on analysis of the agency's 10-year financial forecast.

Legal Basis

Identify (1) the promulgating agency, and (2) the state and/or federal legal authority for the regulatory change, including the most relevant citations to the Code of Virginia and Acts of Assembly chapter number(s), if applicable. Your citation must include a specific provision, if any, authorizing the promulgating agency to regulate this specific subject or program, as well as a reference to the agency's overall regulatory authority.

The VBOA is the promulgating entity for regulations governing public accountancy. VBOA regulations are promulgated under the general authority of Title 54.1, Chapter 44 of the Code of Virginia.

Virginia Code § 54.1-4403(4) states "The Board shall have the power and duty to… Levy and collect fees for the issuance, renewal, or reinstatement of Virginia licenses that are sufficient to cover all expenses of the administration and operation of the Board."

Virginia Code § 54.1-4402(H) states "The Board shall have the responsibility of enforcing this chapter and may by regulation establish rules and procedures for the implementation of the provisions of this chapter."

Purpose

Explain the need for the regulatory change, including a description of: (1) the rationale or justification, (2) the specific reasons the regulatory change is essential to protect the health, safety or welfare of citizens, and (3) the goals of the regulatory change and the problems it is intended to solve.

As a non-general fund agency, VBOA receives most of its revenue through license renewal fees. The Board last instituted a fee increase in 2013. Since then, agency operational costs have highlighted the need for a renewal fee increase.

Code of Virginia § 54.1-4405.1 authorizes the Board to maintain a trust fund for use in the study, research, investigation, or adjudication of matters involving possible violations of the provisions of the chapter or regulations promulgated by the Board. Over the past 13 years operational expenses have continued to increase due to inflation, including payroll and benefit increases, but also due to the number and complexity of compliance and enforcement efforts, as well as increasing IT requirements and security. The cost of adjudication and the increasing complexity of the business environment has substantially impacted the number and complexity of cases, resulting in increased operational costs.

Over the past three years, the Board has used the trust fund to supplement operational costs and the Board's financial forecast analysis indicates that operational costs will continue to outpace revenues substantially if there is not an increase in renewal fees.

At the beginning of 2013, prior to the last fee update, the Board's cash balance was $191,617 in the operating fund and $208,164 in the trust fund, with a total expenditure of $1,096,057 and total revenue of $1,531,024. Before the fee increase was effective on July 1, 2013, the trust fund was depleted to cover operational costs, which triggered the need to increase renewal fees.

As of June 30, 2026, the Board's ending cash balance was $2,228,661 in the operating fund and $3,164,447.12 in the trust fund, with total expenditures of $2,724,781.45 and total operating revenue of $2,168,825. The Board is also in the process of procuring a new licensing system and projects the cost, estimated to be over $1.6 million, to be paid over the next two fiscal years. These costs are being covered by cash balances in the trust fund.

Substance

Briefly identify and explain the new substantive provisions, the substantive changes to existing sections, or both. A more detailed discussion is provided in the "Detail of Changes" section below.

The license renewal fee for Active or Inactive status CPAs will increase to $100.
The license renewal fee for Emeritus (retired) status CPAs will remain at $60.
The license renewal fee for a CPA firm will increase to $125.
The fee for lifting a person's license suspension will decrease to $100.
The fee for lifting a firm's license suspension will decrease to $350.
The fee for manually requesting license verification will decrease to $25.
The fee for requesting an additional CPA wall certificate will increase to $40.
The fee for not responding to the Board within 30 days will increase to $200.

Issues

Identify the issues associated with the regulatory change, including: 1) the primary advantages and disadvantages to the public, such as individual private citizens or businesses, of implementing the new or amended provisions; 2) the primary advantages and disadvantages to the agency or the Commonwealth; and 3) other pertinent matters of interest to the regulated community, government officials, and the public. If there are no disadvantages to the public or the Commonwealth, include a specific statement to that effect.

The annual renewal fee increase for individual CPAs will increase by $40, except for retired CPAs holding the Emeritus license status. Some public opposition is likely, as with any fee increase. A potential disadvantage to VBOA is that the fee increase may result in a decrease in total license renewals by Virginia-licensed CPAs. However, the proposed renewal fee ($100) remains below the national average ($121) for the purpose of imposing the least amount of burden on CPAs, while ensuring agency operating costs are sufficiently covered.

Requirements More Restrictive than Federal

Identify and describe any requirement of the regulatory change which is more restrictive than applicable federal requirements. Include a specific citation for each applicable federal requirement, and a rationale for the need for the more restrictive requirements. If there are no applicable federal requirements, or no requirements that exceed applicable federal requirements, include a specific statement to that effect.

There are no applicable federal requirements.

Identification of Affected Parties

Use the tables below to indicate all Individuals and Entities affected by this regulatory change, either directly or indirectly. The effect could be positive (benefit) or negative (cost). Complete each row:

- *If available information indicates that a party is not affected, report "**none**" in the appropriate row.*
- *If no information exists, report "**unknown**" in the appropriate row.*

For Table 3: Per § 2.2-4007.04, "particularly affected" means any party that bears an "identified disproportionate material impact" that would not be experienced by similar parties. For example, this could be an affected entity that is likely to have a substantially different impact than other affected entities.

Table 1: Directly Affected Parties	
Affected Parties	*Number and Description (Type or Name)*
Individuals	29,000 (Virginia-licensed CPAs)
Other State Agencies	None
Entities:	
• Localities	None
• Small Businesses	See "other entities"
• Other Businesses	See "other entities"
• Other Entities	1,200 (CPA firms, mostly small businesses)

Table 2: Indirectly Affected Parties	
Affected Parties	*Number and Description (Type or Name)*
Individuals	None
Other State Agencies	None
Entities:	
• Localities	None
• Small Businesses	None
• Other Businesses	None
• Other Entities	None

Table 3: Particularly Affected Parties
Are any of the parties listed in Tables 1 or 2 "particularly affected" (**Yes, No, or Unknown**). If yes, describe all affected parties and why they are particularly affected: Certain individual CPAs and small business CPA firms may be particularly affected by the financial impact of the renewal fee increase.

Benefits and Costs

For Tables 4 and 5, complete each row:

- *If available information indicates that no benefits or costs are anticipated for a party, report "**none**" in the appropriate row.*
- *If no information exists, report "**unknown**" in the appropriate row.*

Benefits Resulting from Changes

Consistent with § 2.2-4007.04 of the Code of Virginia, use Table 4 to describe all regulatory changes that are anticipated to have benefits. Include benefits that apply to directly and indirectly affected parties, as reported in Tables 1 and 2.

When describing a particular benefit, specify which new or changed requirement creates the benefit. Keep in mind that this is a benefit from the proposed change versus the status quo. Exclude changes that merely improve clarity, formatting, or terminology.

Table 4: Benefits Resulting from Changes	
Affected Parties	*Description of Regulatory Change(s) and Resulting Additional Benefit(s)*
Individuals	• The renewal fee for retired CPAs under the Emeritus license status will remain unchanged. • The fee for lifting a license suspension will decrease by $250. • The additional $25 fee for manual requests (rather than online requests/payments) will be eliminated.
Other State Agencies	None
Entities:	
• Localities	None
• Small Businesses	See "other entities"
• Other Businesses	See "other entities"
• Other Entities	The fee for lifting a CPA firm's license suspension will decrease by $150.

Costs Resulting from Changes

Consistent with § 2.2-4007.04 of the Code of Virginia, use Table 5 to describe all regulatory changes that are anticipated to have costs. Include costs that apply to directly and indirectly affected parties, as reported in Tables 1 and 2.

When describing a particular cost, specify which new or changed requirement creates the cost. Keep in mind that this is a cost from the proposed change versus the status quo. Exclude changes that merely improve clarity, formatting, or terminology.

Table 5: Costs Resulting from Changes	
Affected Parties	*Description of Regulatory Change(s) and Resulting Additional Costs(s)*
Individuals	• The renewal fee for individual CPAs will increase by $40 (except for retired CPAs holding the Emeritus status). • The fee for providing an additional CPA wall certificate will increase by $15 (to cover administrative costs). • The fee for not responding to the Board within 30 days, as required by 18VAC5-22-170, will increase by $100 (to cover administrative costs).
Other State Agencies	
Entities:	
• Localities	None
• Small Businesses	See "other entities"
• Other Businesses	See "other entities"
• Other Entities	• The renewal fee for CPA firms will increase by $50.

Impact on Your Agency

In Table 6, indicate the overall benefits and costs to your agency resulting from this regulatory action, compared to the status quo. Complete each row.

Table 6: Benefits and Costs for Your Agency
Projected benefits
Are changes expected in any savings or revenues (either one-time or on-going)? (**Yes, No, or Unknown**). If yes, provide a brief explanation: Additional annual revenue from individual CPAs: $1,160,000 Additional annual review from CPA firms: $60,000 Total revenue: $1,220,000 The additional revenue listed above will cover agency operating costs. Other fee increases (i.e. providing additional wall certificates, not responding to the board within 30 days) are intended to cover administrative costs and will not result in a significant revenue impact. We also anticipate there will not be another fee increase for at least five years.
Are changes expected in other (non-monetary) benefits? (**Yes, No, or Unknown**). If yes, describe any other (non-monetary) benefits: The additional revenue will directly benefit the agency's operations and efficiency. For example, the revenue will allow for further development of the agency's online licensing system, as mentioned in the "Purpose" section.
Projected costs
Are changes expected in any expenditures (either one-time or on-going)? (**Yes, No, or Unknown**). If yes, provide a brief explanation: Although not expected, the renewal fee increase may result in a significant decrease in license renewals and total number of Virginia CPAs, which would negatively impact the agency's operating costs.
Can any costs or revenue loss be absorbed by existing resources? (**Yes, No, or Unknown**). No.

Other Impacts per § 2.2-4007.04

In Table 7, report the specific benefits and costs expected to result from this regulatory change compared to the status quo. Complete each row.

Table 7: Other Impacts Addressed by § 2.2-4007.04
Are changes in the use and value of private property expected? (**Yes, No, or Unknown**). If yes, describe: the impact, any entities likely to be affected, and the change(s) causing the impact: No.

Are changes in the development of real estate for commercial or residential purposes expected? (**Yes, No, or Unknown**). If yes, describe: the impact, any entities likely to be affected, and the change(s) causing the impact: No.
Are changes in employment expected? (**Yes, No, or Unknown**). If yes, describe the expected change in the number of persons and the types of employment positions affected: No.
For changes affecting Localities only: for any affected Locality, are there sources of potential funds to comply with the changes? (**Yes, No, or Unknown**). If yes, describe the sources of potential funds: No.
For changes affecting Small Businesses only: for any affected Small Business, are there projected reporting, recordkeeping, and other administrative costs, including any necessary professional skills to prepare documents? (**Yes, No, or Unknown**). If yes, describe these costs and skills: No.

Alternatives to Regulation

Consistent with EO 17, and §§ 2.2-4007.04 and 2.2-4007.1 B of the Code of Virginia, for any regulatory change describe any viable alternatives to the regulatory change that were considered, and the rationale used by the agency to select the least burdensome, less costly, and least intrusive alternative.

No viable alternatives have been identified at this time. VBOA is a self-funded agency that does not receive general funds and relies on license renewal fees to maintain operations.

VBOA may make changes to the regulatory action if alternative proposals are identified during the regulatory process.

Regulatory Flexibility Analysis

Consistent with § 2.2-4007.1 B of the Code of Virginia, describe the agency's analysis of alternative regulatory methods, consistent with health, safety, environmental, and economic welfare, that will accomplish the objectives of applicable law while minimizing the adverse impact on small business. Alternative regulatory methods include, at a minimum: 1) establishing less stringent compliance or reporting requirements; 2) establishing less stringent schedules or deadlines for compliance or reporting requirements; 3) consolidation or simplification of compliance or reporting requirements; 4) establishing performance standards for small businesses to replace design or operational standards required in the proposed regulation; and 5) the exemption of small businesses from all or any part of the requirements contained in the regulatory change.

The Board conducted a financial forecast analysis for three different scenarios:

1. No license renewal fee increase (see attachment 1)
2. $25 fee increase for both individuals and firms (attachment 2)
3. $40 fee increase for individuals and $50 increase for firms (attachment 3)

The Board determined that method #3 offered the least amount of financial burden on regulants while ensuring agency operating costs are maintained.

Periodic Review and Small Business Impact Review Report of Findings

If you are using this form to report the result of a periodic review/small business impact review that is being conducted as part of this regulatory action, and was announced during the NOIRA stage, indicate whether the regulatory change meets the criteria set out in EO 17, e.g., is necessary for the protection of public health, safety, and welfare; minimizes the economic impact on small businesses consistent with the stated objectives of applicable law; and is clearly written and easily understandable. In addition, as required by § 2.2-4007.1 E and F of the Code of Virginia, discuss the agency's consideration of: (1) the continued need for the regulation; (2) the nature of complaints or comments received concerning the regulation; (3) the complexity of the regulation; (4) the extent to the which the regulation overlaps, duplicates, or conflicts with federal or state law or regulation; and (5) the length of time since the regulation has been evaluated or the degree to which technology, economic conditions, or other factors have changed in the area affected by the regulation. Also, discuss why the agency's decision, consistent with applicable law, will minimize the economic impact of regulations on small businesses.

This regulatory action is not being used to conduct a periodic review/small business impact review.

Public Comment

For all comments submitted, including those received on the Town Hall, in a public hearing, or directly to the agency:

1) *Summarize all comments received during the public comment period following publication of the previous stage, and provide the agency's response.*
2) *If no comments were received, enter "**none**."*

Table 8: Public Comment

Commenter	Comment	Agency response
Anonymous	I appreciate that fees haven't changed in 13 years. Everything goes up eventually. Would you consider a reduced fee for retirees? I worked hard to earn my credential and keep my reputation pristine. I retired 3 years ago and, while I don't see myself working in the field in the future, I applied for Emeritus status this year because I want to be able to refer to myself as a CPA, albeit retired, but escape the onerous cost of 40 CPE credits each year. A fee of $100 per year will make me second guess keeping the license. My income consists of Social Security and a small fixed-income annuity. One hundred dollars is a scrutiny point for me now. Furthermore, it doesn't seem fair to have worked so long and so hard in a profession only to	The renewal fee for retired CPAs holding the Emeritus license status will remain at $60. If this commenter has indeed applied and been approved for Emeritus status, he or she will not be subject to the $40 increase in renewal fees.

	be required to give up the title when one retires.	
Anonymous	While I understand that prices rise across the board - if you raise our fees I would hope that we would receive additional benefits. At a minimum I would hope there would be an included Ethics CPE that would cover the requirement. We are in a time where there is a decrease in Licensee activity and interest - raising fees only makes that worse. Everyone is feeling the squeeze.	As a regulatory agency, the benefit to our licensees is maintaining integrity in the profession, but also to protect the public. The increase in fees will allow us to implement a new system that provides each licensee/candidate with a self-help dashboard, better information and processes, and the agency team is dedicated to excellent customer service. The VBOA does not develop CPE/continuing education. This must be obtained from external CPE providers. This is a common practice for many professional licenses.
Anonymous	What is the yearly travel limits for Virginia state workers? It is on the taxpayers.	VBOA is a non-general fund agency that relies on revenue sources (i.e. renewal fees) to maintain operations. This includes covering travel expenses.

Public Participation

Indicate how the public should contact the agency to submit comments on this regulation, and whether a public hearing will be held by completing the text below.

The Virginia Board of Accountancy is providing an opportunity for comments on this regulatory proposal, including but not limited to (i) the costs and benefits of the regulatory proposal, (ii) any alternative approaches, (iii) the potential impacts of the regulation, and (iv) the agency's regulatory flexibility analysis stated in that section of this background document.

Anyone wishing to submit written comments for the public comment file may do so through the Public Comment Forums feature of the Virginia Regulatory Town Hall web site at: https://townhall.virginia.gov. Comments may also be submitted by mail, email or fax to:

Virginia Board of Accountancy
9960 Mayland Dr. Suite 402
Henrico, VA 23233
Phone: (804) 367-8505
E-mail: boa@boa.virginia.gov
Fax: (804) 527-4409

In order to be considered, comments must be received by 11:59 p.m. on the last day of the public comment period.

A public hearing will not be held following the publication of this stage of this regulatory action.

Detail of Changes

List all regulatory changes and the consequences of the changes. For any applicable table:

1) *Enter the current Chapter and Section number. If the existing VAC Chapter(s) or sections are being repealed and replaced, include both the current and the new number for each current and replacement section.*
2) *Provide a summary explanation of the current requirements and what they mean. **DO NOT** quote the text of the current regulation.*
3) *Provide a summary explanation of the new requirements and what they mean. For example, describe the intent of the language and the expected impact. Describe the difference between existing requirement(s) and/or agency practice(s) and what is being proposed in this regulatory change. **DO NOT** quote the text of the new regulation.*

*Use all tables that apply **but delete tables that are not used.***

Table 9: Amending or Repealing Existing VAC Chapter(s)
If an existing VAC Chapter(s) is being amended or repealed, use Table 9 to describe the changes between the existing VAC Chapter(s) and the proposed regulation.

Current (and New) Chapter - Section number	SUMMARIZE (do not quote) current requirements in the VAC	Change, intent, rationale, and likely impact of new requirements
18VAC5-22-20	License renewal fee for a person: $60	License renewal fee for a person with an Active or Inactive status: $100 License renewal fee for a person with an Emeritus status: $60
	License renewal for a firm: $75	License renewal fee for a firm: $125
	Fee for lifting the license suspension of the privilege of using the CPA title: $350	Fee for lifting the license suspension due to a person's non-compliance with a final order: $100 (Language is revised to clarify that this fee is related to license suspension of an individual. Fee burden is reduced)
	Fee for lifting the license suspension of the privilege of providing attest, compilation and financial statement preparation services: $500	Fee for lifting the license due to a firm's non-compliance with a final order: $350 (Language is revised to clarify that this fee is related to license suspension of a firm. Fee burden is reduced)
	License verification Online request: $25 Manual request: $50	License verification: $25 (Fee burden is reduced for manual requests)
	Providing an additional CPA wall certificate: $25	Fee increased to $40 to cover costs associated with the processing of wall certificates.
	Fee for not responding to the Board within 30 days: $100	Fee increased to $200 to cover costs associated with delayed response to the Board.
	Fee for not using the online payment option for any services: $25	Fee eliminated to reduce burden.

Attachment 1

Virginia Board of Accountancy
Operating and Trust Fund Balance
Projections FY27 - FY31 (no increase)

	Projection FY27	Projection FY28	Projection FY29	Projection FY30	Projection FY31
Operating Account Balance (Forecasted)					
Beginning Balance	$ 2,228,661	$ 1,637,154	$ 1,211,016	$ 2,230,549	$ 2,138,477
Revenues over(under) expenditures	(1,232,341)	(1,658,479)	(638,946)	(731,018)	(974,003)
Transfers From (To) Trust Account	640,834	1,232,341	1,658,479	638,946	731,018
Ending Balance	$ 1,637,154	$ 1,211,016	$ 2,230,549	$ 2,138,477	$ 1,895,492
Trust Account Balance (Forecasted)					
Beginning Balance	$ 3,164,447	$ 2,523,613	$ 1,291,272	$ (367,207)	$ (1,006,153)
Transfers From (To) Operating Account	(640,834)	(1,232,341)	(1,658,479)	(638,946)	(731,018)
Ending Balance	$ 2,523,613	$ 1,291,272	$ (367,207)	$ (1,006,153)	$ (1,737,171)

Attachment 2

Virginia Board of Accountancy
Operating and Trust Fund Balance
Projections FY27 - FY31 ($85 individual $100 firm)

	Projection FY27	Projection FY28	Projection FY29	Projection FY30	Projection FY31
Operating Account Balance (Forecasted)					
Beginning Balance	$ 2,228,661	$ 1,637,154	$ 1,947,629	$ 2,959,795	$ 2,856,785
Revenues over(under) expenditures	(1,232,341)	(921,866)	90,300	(12,710)	(266,469)
Transfers From (To) Trust Account	640,834	1,232,341	921,866	(90,300)	12,710
Ending Balance	$ 1,637,154	$ 1,947,629	$ 2,959,795	$ 2,856,785	$ 2,603,026
Trust Account Balance (Forecasted)					
Beginning Balance	$ 3,164,447	$ 2,523,613	$ 1,291,272	$ 369,406	$ 459,706
Transfers From (To) Operating Account	(640,834)	(1,232,341)	(921,866)	90,300	(12,710)
Ending Balance	$ 2,523,613	$ 1,291,272	$ 369,406	$ 459,706	$ 446,996

Attachment 3

Virginia Board of Accountancy
Operating and Trust Fund Balance
Projections FY27 - FY31 ($100 individual $125 firm)

	Projection FY27	Projection FY28	Projection FY29	Projection FY30	Projection FY31
Operating Account Balance (Forecasted)					
Beginning Balance	**$ 2,228,661**	**$ 1,637,154**	**$ 2,401,241**	**$ 3,408,871**	**$ 3,299,125**
Revenues over(under) expenditures	(1,232,341)	(468,254)	539,376	429,630	169,235
Transfers From (To) Trust Account	640,834	1,232,341	468,254	(539,376)	(429,630)
Ending Balance	**$ 1,637,154**	**$ 2,401,241**	**$ 3,408,871**	**$ 3,299,125**	**$ 3,038,730**
Trust Account Balance (Forecasted)					
Beginning Balance	**$ 3,164,447**	**$ 2,523,613**	**$ 1,291,272**	**$ 823,018**	**$ 1,362,394**
Transfers From (To) Operating Account	(640,834)	(1,232,341)	(468,254)	539,376	429,630
Ending Balance	**$ 2,523,613**	**$ 1,291,272**	**$ 823,018**	**$ 1,362,394**	**$ 1,792,024**